basis on which they were prepared to make peace. Early in November they stated that President Wilson's reference to "restoration" of invaded countries should, in their view, be expanded into a claim for compensation " for all damage done to the civilian population of the Allies and to their property by the aggression of Germany by land, by sea, and from the air." * This is letting Germany off lightly ; but, after stating their readiness to make peace on the basis of the fourteen points, if amended as above " (and also with regard to the Freedom of the Seas question) it is not possible for the European Allies, as the Prime Minister's late manifesto says they propose to do,f to expand this claim for civilian damage into a demand for the whole of their war cost up to the limit of the capacity of the Central Powers to pay, without a serious breach of faith. So that the question of how much we can get out of Germany is complicated by the further uncertainty of the size of the bill for damages that we can present. It will be big enough. We know that the Germans have sunk 8| million tons of British ships during the war. As to the price at which, for " restoration " purposes, we shall value those ships and their cargoes, and all the civilian property damaged by aircraft and bombardment, this is a matter which it would be obviously improper to discuss ; but we may be sure

that the bill will mount up to many hundreds of millions, and it remains to be seen whether, after Belgium and France have presented their account,

* *Times*, November 7, 1918.
s, December 6, $918,